



employer advisor

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**Our office hours are now
Monday—Friday from 8:00 am to 5:00 pm.**

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Form 606: Employers Are Required to Respond!

Verify information regarding former employees

Unemployment Insurance (UI) sends a 606 notification form to an employer after a former employee files a claim for UI benefits. Form 606, Notice of Claim Filed, asks the employer to verify or provide information regarding the separation of the claimant and the wages earned.

A claimant's eligibility and benefits are based on the hours worked, wages earned, and the reason for job separation.

In general, claimants who become unemployed through no fault of their own are entitled to draw unemployment insurance benefits while seeking other full-time jobs. Claimants who quit without good cause or were discharged for just cause cannot draw benefits.

Benefit costs are charged back to the employer's account which can increase the employer's future contribution rate. In some circumstances, the claimant can draw benefits and the employer's account is not charged for the benefit costs.

An employer must respond within 10 days of the notification to be considered timely. If the employer fails to respond, the employer's account may be charged for the benefit costs.

To help ensure the accuracy of the benefit payments and the charges for benefit costs, employers should provide timely separation information as requested on the Form 606.

Employers may also respond to Form 606 via the internet link and PIN provided on the notification.

For more information on how benefits costs can affect your UI contribution rate, call (801) 526-9235 or (800) 222-2857 and select Option 3. For questions regarding the claim itself, call (801) 526-4400 or (888) 848-0688 and select Option 4.



Current Utah economic news is at your fingertips! TrendLines is a magazine style newsletter published every other month by the Workforce Research and Analysis Division of the Department of Workforce Services. It provides feature articles that discuss topics such as the

economic recovery in Utah, unemployment benefits, and hiring trends in the current economy. TrendLines also gives readers a basic understanding of Utah's economy, specifically, the labor market. The magazine highlights specific industries and occupations while providing insight into

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What Is Succession?

When acquiring another business either by merger or purchase, the surviving business must notify DWS with the date of the merger/acquisition and the name of the acquired business. The acquiring company will continue to report wages on its existing UI account. If experienced rated, the current year's rate will remain unaffected until the following calendar year, unless the merger/acquisition occurred January 1.

All mergers and acquisitions effective January 1 will be re-assigned a rate calculated using the payroll and benefit histories of both employer accounts. The combined payroll and benefit experience of both employers will be used in the rate calculation for the next four years.

Frequently Asked Questions

Q: What is an Experienced Rate? And why don't I have it?

A: Experienced Rates are assigned to employers with one or more fiscal years (July 1 through June 30 of the following year) of reported taxable wages.

Q: Why has my rate increased so dramatically this year when I have been paying into the Unemployment Insurance Fund for more than five years? Recently, I had one former employee file for and received limited benefits. Years of paying into the system with no benefit charges should count for something!

A: It does count. By paying into the UI fund for more than five years, you received the minimum rate for at least two years, and possibly longer. When Unemployment Insurance (UI) made the decision to grant benefits to a former employee and charge the benefit costs to the employer's UI account, those charges were not billed to you directly, but were used in the current rate calculation. UI uses the previous four fiscal years of benefit costs

and taxable wages in the rate calculations. Each year, UI advances one fiscal year. The oldest year rolls off as the new fiscal year is added. Benefits that have rolled off with the oldest fiscal year will no longer impact the UI rate.

For the 2011 calendar year, the time frame for the annual rate calculation was July 1, 2006, through June 30, 2010. The 2011 rate calculation used all benefit costs and taxable wages reported during these four fiscal years. The Reserve Factor and Social Costs are the other factors used to determine an employer's overall contribution rate. Both are generally applied to all employers and are beyond the individual employer's ability to control.

Q: I operate a business as a Limited Liability Company (LLC). As a member, am I subject to State Unemployment Insurance?

A: A business operated as a LLC is subject to State Unemployment in the same manner that it is subject to the Federal Unemployment Tax Act (FUTA). The IRS, having no year-end business return designated for an LLC, disregards these state authorized business entities. A single member LLC will file a Schedule C for the member's personal 1040 income tax return or select the corporate election and file Form 1120S S-Corp tax return. A multiple member LLC will file form 1065, Partnership Income Tax Return, or take the corporate election and file Form 1120S. All members are subject to State Unemployment when the corporate election is made and the 1120S is filed. Members also become subject to FUTA and must be treated as employees. If the entity selects the default filing on Schedule C or Form 1065, the member(s) are not subject to State Unemployment. Instead, the IRS treats members similar to a sole proprietor or as partners.

Q: If my family members work for me, are they exempt from State Unemployment?

A: Eligible family exemptions are granted by law to a business enterprise operated as a sole proprietor or family partnership, not to a state authorized Limited Liability Company.



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labor markets found in rural and urban Utah. Contributors to this newsletter include DWS economists and analysts.

TrendLines is distributed through online access on the Department's website: <http://jobs.utah.gov/wi/>. The website also offers an e-notification service that will send participants an email when new publications are released. If readers prefer a hard copy edition of the publication, they should call Gail Reidling at (801) 526-9462. The best part is that a Trendlines subscription is **FREE!**